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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,) 19 Civ. 9439 (PKC)
)
v.)
)
TELEGRAM GROUP INC. and)
TON ISSUER INC.,)
)
Defendants.)
-----X

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VIDEOTAPED DEPOSITION OF
ILYA PEREKOPSKY
December 15, 2019

Taken at:

McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London, EC4N 6AF

Reported by:
AILSA WILLIAMS,
Certified Court Reporter
JOB No. 191215MWC

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1 then I suggested that I could help, and that is
2 how it all started, yes.

3 Q. So when was that, that you suggested
4 that you could help with the project?

5 A. I have to say -- I would say it was
6 the end of November, beginning of December, maybe
7 mid-November or around these dates, around this
8 time.

9 Q. And you suggested to Mr. Durov that
10 you could help, correct?

11 A. Yes.

12 Q. And what precisely did you suggest
13 your role would be?

14 A. I suggested that my role will be
15 focused on investor relations.

16 Q. What does that mean?

17 A. It means that I would help to
18 coordinate the work between Telegram and investors
19 in raising funds.

20 Q. When did you first discuss with Mr.
21 Durov the idea of raising funds from investors?

22 A. At the same meetings, so
23 November/December.

24 Q. So not at the initial meeting but at
25 later meetings?

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1 together at the same investment bank, so we
2 believed that he also had a required set of skills
3 to perform this work.

4 Q. Did Mr. Parekh work under you and
5 Mr. Hyman?

6 MR. DRYLEWSKI: Objection to form.

7 A. I think you can say so, yes.

8 Q. Can you just describe to me how you
9 divided responsibilities in the fund-raising
10 process between yourself, Mr. Hyman and Mr.
11 Parekh?

12 A. Yes. Since John was an English
13 native speaker -- I wouldn't say we divided roles
14 specifically like that, but just because of his
15 nature, that he was a native speaker, he was
16 speaking more with English speaking people, and I
17 was communicating more with other foreign
18 investors who are not native English speakers, and
19 Shyam was performing a more technical role. So he
20 was I would say, at that moment of time, at the
21 beginning, right, so he joined a little bit later,
22 so he was help us with structuring some
23 information, sending updates to investors,
24 following up with them with different documents,
25 following up with like KYC, or rep letters, so he

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1 helped a lot with this process connected to the
2 documents and with this like formal communication,
3 especially by email, that we had.

4 Q. So if I understand you correctly, in
5 the early months, either you or Mr. Hyman would be
6 sort of the investor relations lead for a
7 particular investor, and Mr. Parekh would do the
8 technical periodic email updates and things like
9 that. Is that accurate?

10 MR. DRYLEWSKI: Objection to form.

11 A. Yes.

12 MR. DRYLEWSKI: You can answer.

13 A. I mean of course we did some
14 technical work as well, because the team was very
15 small, right, and we did a lot of work. I would
16 say more accurately to say that all of us combined
17 like many functions at the same time, right, but
18 Shyam spent more time on like this technical stuff
19 and John and I spent more time on talking to
20 people, reaching out to them, meetings and stuff
21 like that.

22 MR. DRYLEWSKI: Can we take a break
23 soon.

24 MS. STEWART: Sure. I thought he said
25 he was fine.

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1 A. I think it was Farfetch, and I think
2 one of the investors was a friend with somebody at
3 the top level of the company.

4 Q. After these investors actually ended
5 up investing, did you have follow-up conversations
6 with them about these two vendors, Get Taxi and
7 Farfetch?

8 A. With Farfetch they proposed
9 organizing meetings a couple of times. We just
10 could not -- didn't find time to meet. I think
11 the CEO of Get Taxi sent us an email saying that
12 they are planning to use Gram as a means of
13 payment, but when it is readily available. I
14 think there was an email coming from him.

15 Q. When did that email come?

16 A. So everybody expected launch to
17 happen at the end of October, and I think this
18 email came afterwards, because they wanted to
19 clarify what they probably have to expect.

20 Q. So it was a recent email?

21 A. Yes.

22 Q. Were there any other vendors that
23 Telegram had discussions with about those vendors
24 using Grams as a form of currency?

25 A. We didn't proactively reach out to

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1 vendors. It was in our opinion a little bit too
2 early. Because when you speak to the company, if
3 you cannot really start doing something for this
4 company practically, it doesn't make sense to meet
5 them. So once we launch, right, it makes sense,
6 at least when there was some testnet, right, maybe
7 at this stage it made sense at least that they
8 could see the technology, right, but before that
9 it just didn't make lots of sense to meet them,
10 because the technology was not completely ready
11 yet.

12 Q. Did you meet with them once testnet
13 was out?

14 A. I didn't meet them. I am just
15 saying about investors, right. So they mentioned
16 some vendors and they mentioned that they would do
17 their best efforts to help us in making this
18 currency widely spread.

19 Q. And other than the two examples you
20 mentioned with Get Taxi and Farfetch, are there
21 other vendors that investors, as far as you know,
22 have reached out to?

23 A. I will not remember the names of
24 companies right now. I believe that in one of the
25 documents that we provided to you there was a list

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1 [REDACTED]

2 A. Correct.

3 Q. And that individual's name is [REDACTED]

4 A. Correct.

5 Q. His name is not [REDACTED] [REDACTED]
6 right?

7 A. No.

8 Q. [REDACTED] was one of the investors?

9 A. Correct.

10 Q. Going to the chat on January 28,
11 which is on the second page of the document, you
12 say to [REDACTED]

13 "Hi [REDACTED] I have good news for you. We
14 can give you five more, up to 25 if you are still
15 interested. We cut many parties which were
16 reselling and have some little new space."

17 Do you see that?

18 A. Yes.

19 Q. Which parties did Telegram cut
20 because they were reselling?

21 A. The demand from investors for both
22 rounds, and especially presale, was much higher
23 than we could accommodate. Once we gave people
24 some preliminary indication of allocation that we
25 are planning to give them, some of these

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1 investors, potential investors, I cannot say that
2 it was for sure, right, but I heard rumors that
3 people even until they invested they were already
4 trying to resell. If I heard about anybody, if I
5 heard some rumor more or less from a reliable
6 source, that somebody was trying to resell, we
7 just removed this investor from the list. If it
8 was just -- maybe it is not a person that I know
9 well, or it was multiple rumors about somebody, we
10 just removed them in general from the list of
11 investors.

12 Q. So as of January 28, 2018, had you
13 cut many parties because they were reselling?

14 A. I believe they tried to resell but
15 we excluded them, so I doubt that they could
16 resell something which they didn't buy.

17 Q. Okay. My question was unclear then.
18 I am trying to understand who the parties were, as
19 of January 28, who had tried to resell?

20 A. To be honest, I don't remember here
21 any specific names, because these companies they
22 never invested, right, and it was a long time ago,
23 and I never focused on them. So as soon as I
24 heard something, or Pavel or John, we usually just
25 removed this investor from the list. This example

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1 Q. What steps, if any, did you take to
2 try to distinguish the scams from the ones
3 involving investors?

4 A. We didn't take any probably
5 proactive steps here. When I heard something I
6 tried to learn more about that case, but in most
7 cases it was very difficult actually to understand
8 whether there was really somebody behind this
9 exchange, or this exchange was just selling
10 something that they don't have.

11 Q. Were you aware of reports that the
12 Liquid exchange was selling Grams in partnership
13 with Gram Asia?

14 A. Yes, I believe they even sent us an
15 email, this exchange sent us an email, telling us
16 about their plans. And then later, in the news
17 actually, I read that they were trying to do
18 something like that.

19 Q. What did you do when you received
20 the email from Liquid, informing you of their
21 plan?

22 A. It was very difficult to understand
23 what was real and what was not, right. Like, for
24 example, they said "Gram Asia", but this investor
25 is not on our list. So when I just spoke with

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1 people and they asked me something about that, I
2 always told them: "Okay, if you could find out
3 more information, please let us know."

4 Apparently, if you even had a call with Liquid,
5 they wouldn't disclose, like, the real names of
6 the people behind, but Gram Asia was not our
7 investor, so it was not clear what we can do in
8 this situation.

9 Q. Did you have a call with Liquid?

10 A. No. No, we didn't have. As I
11 recall, we actually had a call with Liquid before
12 that, long before that, maybe a year before that.
13 Liquid reached out to us, suggesting help in
14 working with the Japanese regulator, about status
15 of Gram in Japan. I think we had maybe one call
16 about that, but it didn't go anywhere, so it was
17 just a call and that is it. Then I didn't hear
18 from them until the email, a year later.

19 Q. I want to make sure I understood
20 your answer a couple of answers ago. Did you say
21 that if you were to have a call with Liquid they
22 wouldn't reveal who their investors were?

23 A. They would probably tell there is
24 Gram Asia, which is not our investor, and that is
25 another deadlock for us, right, because it doesn't

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1 answer the question who is behind Gram Asia, and
2 if there is anybody behind Gram Asia, right,
3 because who knows?

4 Q. But you didn't try to get this
5 additional information from Liquid?

6 A. No. I tried --

7 Q. Are you aware of anyone else --

8 MR. DRYLEWSKI: You can finish your
9 answer.

10 MS. STEWART: Sorry, I didn't mean to
11 cut you off.

12 A. When people mentioned them, I always
13 told them "If you can find out something new,
14 please share with us", but currently there was
15 no -- I mean I didn't learn any specific facts.

16 Q. Are you aware of anyone else at
17 Telegram trying to contact Liquid or take any
18 other steps to learn additional facts?

19 A. Not that I am aware of.

20 (Exhibit 35 marked for identification)

21 Q. The court reporter has handed you
22 what we have marked as Exhibit 35,
23 TLGRM-012-00015898. If you can take a second to
24 review the document and let me know when you are
25 done.

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1 page?

2 A. Very, very small, but yes.

3 Q. I see it. Okay. Does that
4 describes the 25 percent over time that I asked
5 you about a second ago?

6 A. But it is very vague, a little bit
7 strange.

8 Q. Okay. Did you do anything after
9 receiving this email in May 2019?

10 A. Yes, I remember I called this
11 company. I spoke with them. They denied the fact
12 that they were doing these deals. And it was a
13 little bit awkward to me because, as I told you,
14 they were a stage A investor, and here it was a
15 price, 1.33, and about presale. So they denied
16 the fact that they had been doing something like
17 that, and I didn't get any like evidence that they
18 really were trying to resell.

19 Q. Did you send them a copy of this
20 brochure that is attached to Exhibit 35?

21 A. I don't remember specifically that,
22 but I remember calling them.

23 Q. Did Telegram take any action in
24 respect to ATON, after receiving this email in
25 May 2019?

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1 CERTIFICATE OF COURT REPORTER

2 I, Ailsa Williams, an Accredited Realtime
3 Reporter, hereby certify that Ilya Perekopsky was
4 duly sworn, that I took the Stenographic notes of
5 the foregoing deposition and that the transcript
6 thereof is a true and accurate record transcribed
7 to the best of my skill and ability. I further
8 certify that I am neither counsel for, related to,
9 nor employed by any of the parties to the action
10 in which the deposition was taken, and that I am
11 not a relative or employee of any attorney or
12 counsel employed by the parties hereto, nor
13 financially or otherwise interested in the outcome
14 of the action.

15 Dated: December 16, 2019
16
17
18
19

20 Signed:

21 AILSA WILLIAMS
22
23
24
25